

## ENTREPRENEURIAL TRUSTWORTHINESS PRACTICE AND PERFORMANCE AMONG SMALL AND MEDIUM SCALE ENTERPRISES IN RIVERS STATE.

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### *Abstract*

*This study investigated Entrepreneurial Trustworthiness Practice and Performance among Small and Medium Scale Enterprises in Rivers State. The study was guided by three hypotheses and objectives. The study examined the relationship between entrepreneurial trustworthiness and performance among SMSEs. The anchored on the theory of entrepreneurship exposure. The study adopted correlational and cross-sectional research design. The population of the study was 12,964 SMSEs with a sample size of 390 SMSEs, and stratified random technique was used, structured questionnaire with 4 Likert scale was used as main source of data collection. PPMCC was used to test the hypotheses at 0.05 alpha level with the help of SPSS model. The findings of this study revealed that there was a low positive significant relationship between trustworthiness and financial performance. The findings of this study showed that there was a low positive significant relationship between trustworthiness and market performance, customer satisfaction among SMSEs in Rivers State. The study concluded that entrepreneurial trustworthiness practice is inevitable for the success of SMEs. Based on this, the study further recommended that entrepreneurs, managers, employees, parents and society should practice the principles of ethics on their daily activity for the success among SMSEs and society at large.*

**Keywords:** Customer satisfaction, Financial Performance, Market Performance, performance, Trustworthiness

## Introduction

The issue of ethics and code of conduct have become a major problem and concern in our society especially in Rivers State and beyond. Ethics as the science of morals, a branch of philosophy that deals with codes of behaviour, values or principles of conduct which people in an enterprise or profession must abide with in all human endeavour. This code of conduct guides and directs members of business organisation (entrepreneurs, managers and employees). They must observe to follow in their daily economic activities for the success of the organisation. It has much to do with integrity, morality, trustworthiness, professionalism, honesty, respect, discipline among others. Presently, what was immoral before is now moral. Corruption and bribery are no more immoral acts. Moreover, some professionals sell off their conscience in the name of' Nigeria factor. These unethical practices abound in many business transactions and functions in Nigeria today.

Also, observation has shown that mankind has ignored the standard principles of moral, integrity, fairness, equity, trust and honesty in course of carrying out their daily economic activities; instead, they are quest for material things against good reputation to bear. Some scholars argued that to take advantage of opportunities, some entrepreneurs may want to break the rules during the creative destruction. Question whether entrepreneurship may be considered ethical at all. (Spicer, 2009). Hanson, (2015) opined that the temptation is great for entrepreneurs to lie to customers and investors due to the problems involved in securing funding, attracting customers, and learning to manage a growing business. Study explained the significance of ethical principles in the field of entrepreneurship and demonstrated the need to bring this concept into entrepreneurship activities. This practice is equally important for entrepreneurs who aspire to start their own businesses and who, likely, lack the experience necessary to navigate venture creation and sustain it in the means of dynamic and competitive business environment.

On the one hand, entrepreneurs who are regarded as creative, innovators are praised for their contribution to the development of society by creating new products, employment opportunities and thus opening new business possibilities for the concern. They are often criticized for a one-sided pursuit of profit maximization and being willing to compromise moral values if needed. For aspiring potential business owners, ethical dilemmas regarding entrepreneurship are both foreseeable and critical. Studies pointed out that entrepreneurs valued trustworthiness throughout entire startup process, from the decision to launch a new enterprise all the way through the processes of operating the business (McVea, 2009). It is reasonable to note that innovation and moral decision making tend to occur simultaneously. Buchholz and Rosenthal, (2005) cited that ethical decision making requires the same qualities that make for a successful entrepreneur. For example, imagination is required for both innovation and for moral standards (Dunham, McVea, & Freeman, 2008).

Buchholz and Rosenthal, (2005) emphasis that ethical decision making requires the same qualities that make for a successful entrepreneur. For example, imagination is required for both innovations and morals. Agu, (2000) cited that entrepreneurs exhibit higher levels of moral reasoning as compared to non-entrepreneurs. One reason why entrepreneurs may exhibit more ethical behaviour than managers is because the stakes are higher in both risk and equity (Bucar & Hisrich, 2001). Trustworthiness as an aspect of ethics, the origin can be traced back to the ancient Greeks, especially Aristotle, focuses on character issues, including the fundamental question of what makes human personality. Aristotle observed that morality, openness, prudence, integrity, and justice are the cardinal virtues since that produce “personality in society and the individual” (McGowan, *et al.*, 2010). As an aspiring potential business owners desire to success, they are advised to do what is ethical. Doing the right thing is not just the right thing to do but also the most profitable thing to do. Thus, the concept of ethics and entrepreneurship have contributed to economic growth and development of the nation (De George, 1990; Ajagbe & Ismail, 2014; Fadeyi *et al.*, 2015). Moreover, entrepreneurs encounter ethical dilemmas that directly affected the performance of entrepreneurial ventures (Carasco & Sign, 2003; Ajagbe *et al.*, 2015). Application of ethical practices is necessary to improve venture performance (Goodpaster, 2007; Dabor *et al.*, 2015; Ajagbe *et al.*, 2015). So, the focal point of this study is aimed at researching on the entrepreneurial trustworthiness practice as an aspect of ethics and performance among SMSEs in Rivers State, Nigeria.

Recently NDIA, SON, NAFDAC other agencies of the government across the states in Nigeria have destroyed goods worth millions of naira of SMSEs reason behind it is unethical practice. So, enterprises, whether big or small, trustworthiness is inevitable. However, SMSEs in developing countries still require more understanding and awareness of the implication of business ethics and their benefits. Some businesses have recognized that ethical misconduct can be very costly not only for enterprises but also for society. Furthermore, today's customers have become increasingly mindful of the moral standard of the businesses they patronize. Thus, any business organisation that wants to achieve positive image, friendly with members of the public, and working relations with society must always have a good ethical standard and practice it. This is because having good entrepreneurial trustworthiness and adhering to it on daily economic activities of the business will help the entrepreneur to excel in the business. But, when entrepreneurs refuse to practice good ethical behaviour in the conduct of business, it will affect the reputation of the business after a short- while. Though, the business may experience advantages or success, but as time goes on the reverse becomes the case, hence unethical practice of the businesses leads to failure of some SMSEs today.

Observation today, most SMSEs produce inferior or sub-standard products with a high price and sell to the market because they want to make profit. They give Falk advertisements of their products and services to persuade the customers. As time went on, the customers started noticing the unethical

behaviour of these enterprises which have caused most enterprises failure today. Moreover, most businesses today practice unethical conduct such as bribery and corruption, lack of integrity, dishonesty, not keeping quality and contract terms, and lack of trust in course of transacting with the customers.

In fact, unethical conduct has become common behaviour in most SMSEs in our society today because of quest for profit making or material things which have made them ignore the standard principles of moral, respect, openness, honesty, integrity, trust, truthfulness on their daily economic transactions with public. Based on these unethical practices, most enterprises wind up because of this. When an entrepreneur or head of a business exhibits unethical behaviour, manager/entrepreneur loses respect from employees alongside the public. Damage to business credibility, if a firm lacks trust, the public will lose confidence in the enterprise product and services. Even if a business recovers from news about its lack of ethics, it takes a lot of time and money to restore its image and consumer confidence. Customers that abandon a firm because they are dismayed by poor ethical practices will find other products and services to meet their needs. It will be difficult to win back those customers due to lack of trust.

Moreover, business organizations and entrepreneurs need to behave ethically and protect their own business interests (Abiodun & Oyeniyi,2014) if they are to survive and remain competitive. Also, there is increasing awareness of ethics, leading societies to disapprove of businesses that are found to be ethically ill (Ahmad, Amran & Halim,2012). While many large companies have maintained their image by applying ethical standards, SMSEs in developed countries are progressively becoming more alert to the significance of trustworthiness dealing with employees, clients, suppliers and society. But some enterprises do not recognize ethical gains due to lack of a long-term vision (Mahmood,2008). The present-day business environment is marked by different dynamic features such as global competition, information technology, quality service revolution and corporate social responsibility which are compelling entrepreneurs and employees to rethink and reshape their code of ethical conduct. On this ground, this study is put together to encourage and educate the present and potential entrepreneurs as well as employees on the significance of ethical practices and venture performance among SMSEs in Rivers State, Nigeria.

The aim of this study was to investigate the relationship of entrepreneurial ethics and venture performance of SMSEs in Rivers State, Nigeria. Specifically, the study seeks to:

determine the relationship between trustworthiness and financial performance among SMSEs in Rivers State.

ii, ascertain the relationship between trustworthiness and market performance among SMSEs in Rivers State.

iii. establish the relationship between trustworthiness and customer satisfaction of SMSEs in Rivers State.

$H_01$ .There is no significant relationship between trustworthiness and financial performance among SMSEs in Rivers State.

$H_02$ .There is no significant relationship between trustworthiness and market performance among SMSEs in Rivers State.

$H_03$ .There is no significant relationship between trustworthiness and customer satisfaction among SMSEs in Rivers State.

It is perceived that the findings of this study will be of countless importance to the following: government, business organizations, entrepreneurs and managers, parents and children as well the society at large. **Students:** the study will be useful to students to know the entrepreneurial ethics and their relevance for the success of SMSEs in the economy. **Parents:** the study will help parents to know the usefulness of ethics to incorporate ethics as a fundamental component in child rearing as it has become an important ingredient for the success of an individual and organisation. **Government:** the study will aid standard.

of Nigeria (SON), state and federal ministry of commerce, industries, NAFDAC among others in formulating policies that will enhance business ethics and smooth operations of SMSEs in Rivers State and Nigeria. **Entrepreneurs and Management consultants:** the outcome of this investigation will be relevant to entrepreneurs and businessmen. **Researchers:** the findings of the current study will be important to build and extend research and fill a gap in knowledge. The study will serve as a reference material for future researchers in the areas of ethical behaviour in society. **Literature:** It is also believed that the findings of this study will contribute to literature on Entrepreneurial trustworthiness practice and performance among SMSEs.

### Definition of related terms

**Customer satisfaction** refers to venture ability to meet the needs and wants of customers or a specific market segment in generating profits.

**Financial Performance** refers to financial ratios, financial statement, profitability ratio, return on investment, liquidity ratio which is a tool to analyze or measure the level of business efficiency and profitability achieved by the enterprise concerned.

**Market Performance** refers to indications of market share, market leadership, rate of turnover, sales volume are market of SMSEs.

**Performance** here refers to assessment of venture success in terms of financial performance, market performance and customer satisfaction.

**Trustworthiness** refers to transparency of an entrepreneur as code of conduct, expression of respect and honesty when dealing with stakeholders for the interest of the firm.

## Literature Review

### Entrepreneurial Trustworthiness Practice

It is a state of compliance to standard of once words, being reliable and confident, maintaining secret in transactions. Trust is the anticipation that other people, or groups or society expect from you. Krebs, (2012) asserted that discipline in human behaviour, which implies that interaction takes place according to a set of rules that are sincere to each other in an organisation. Ethics refers to a system of moral principles or rules of behaviour which involves doing the right thing in the right manner (Okafor, 2011). Mujtaba, (2005) cited that ethics as the branch of philosophy that theoretically, rationally and logically defines right from wrong, good from bad, moral from immoral, and fair from unfair actions and conduct of individuals or entrepreneurs in a business setting. Behaving ethically entails doing what is morally right (Okafor, (2011); Riley, (2012), Abiodun & Oyeniyi, (2014). Ethics is mainly concerned with principles of integrity, transparency, accountability, responsibility and fairness, and focuses on internal human conduct or entrepreneurs on the issues: product quality, customer satisfaction, employee wages and benefits, and local community and environmental responsibilities (Bucholz, 2003, Emerson, 2009, Spence and Van Heekeren, 2015, Abiodun & Oyeniyi, 2014).

Central bank of Nigeria (2006) observed codes of behaviour of most entrepreneur today as codes of conduct developed internally, which are intended to promote, the action and behaviour of entrepreneurs and employees confronting on ethical situations and moral challenges. Ethical policies should be included in business plans, in the business's mission statements, and in all other business documents. Furthermore, this code of conduct is a framework, based on global agreements signed

by many nations, such as united nations global compact with its ten core principles. Ethical practices are conscious compliance with the standard of honesty, reliability, truthful that directs an entrepreneur and business to follow certain values of conduct when dealing with employees an organisation (Ononogbo *et al.*, 2016). Abiodun and Oyeniyi, (2012) pointed that business decisions and code of conduct may be evaluated ethically or unethical, depending on whether the decisions and actions promote or threaten the values and standards of individuals and the societies in which a business organisation.

However, SMEs must be careful to balance the goals of profits with the values of individuals and society by good entrepreneurial ethics (Twomey & Jennings, 2011). Hence, businesses need good ethical values to succeed. Hannafey, (2003) asserted that entrepreneurial trustworthiness emphasizes, among others, professionalism and integrity of character, accountability, honesty, and uprightness as well as zero tolerance to fraudulent and corrupt practices on the part of their members in business. The benefits of ethical practices can be translated to increase in market share profitability and customer satisfaction as well as the goodwill of the firm over the competitors (Ahmad, 2009). In fact, business organization that exemplifies honesty and openness in its products, services and actions, high ethical standards will succeed. Hence, good reputation can build long-life customer satisfaction and can lead to stronger customer relationships (Peppers & Rogers ,2004; Weinstein, 2012). It will attract potential customers to do business with an entrepreneur that adheres to ethical principles and trustworthiness (Wiid *et al.*, 2013). Hence, SMEs need to develop ethical policies and apply on their day-to-day transactions.

In literature, cognition-based trust is based on individual perception about the situation, in other words and based on 'logical reasoning' as evidence of trustworthiness. It is fundamental principles of behaviour within an organizational setting, trust has been illustrated to be an important factor such as cooperative behaviour (Zalabak, Ellis & Winograd 2000, Chowdhury 2005). Thus, the second proposed driver of customer satisfaction associated with markets is trust. Trust is viewed as a valuable driver of customer satisfaction and has received specific attention in the field of commercialization (Sharif, 2005). To benefit and control a competitive advantage, an entrepreneur must be trusted (Caceres & Paparoidamis,2007), because absence of trust is one of the most observed reasons for unwillingness of some customers to patronize must firms (Hsu, 2008). Gills (2003) pointed out that entrepreneur trust as the willingness, based culture and communication behaviours in relationships and transactions, to be appropriately vulnerable, based on the belief that another individual, group or organization is competent, open and honest, concerned, reliable and observed common goals, norms, and values.

## Small and Medium Scale Enterprises

SMSEs is usually a business organization with between 10 and 199 employees and mostly labour intensive against capital intensive (SMEDAN, 2013). These are business enterprises owned by an individual to satisfy the needs and wants: such as economic, social, and environmental values (James *et al.*, 2018; Pinkovetskaia, Nikitina & Gromova, 2018). They enhance the economic growth and development in aspect of employment opportunities to the young school leaves, provision of standard goods and services, increase nation gross domestic product and gross national income among others. Nevertheless, Small and Medium Enterprises have created and nurture employment opportunities that improve the economy of Nigeria. Small and medium enterprises are essential because they promote the economy (Bello *et al.*, 2018). The economic and social impacts of SMSEs in society; revenue generated in society, equal income distribution and its contribution to the GDP.

## Performance among SMSEs

Performance is an indication of SMSEs success (Griffin, 2003). Also, performance can be viewed in terms of financial and non-financial measures. The financial measures include return on assets, profit, sales volume and rate of sales turnover. The non-financial measures are customers' satisfaction, personal development, and personal realization (Masuo, Fong, Yanagida & Saleem, 2012). Hence, financial performance is an indication of profitability, return on capital investment and increase on working capital of the venture. The market performance analyses the large market shares of the venture, rate of sales turnover and sales volume of the venture's product on market. Customer satisfaction is rate of customers' patronage, royalty, quality assurance, goodwill, reputation, augmented services rendered to customers are indications of non-financial performance of the venture.

## Financial Performance

However, Agu, (2005) cited that performance is an indication of the success of entrepreneur's economic activities analyse in terms of financial performance, return on capital investment, income flows, rate of sales, sales volume, market share of the firm as well as customers' satisfaction. Performance is an achievement of an organization. This is reflected in financial indicators and non-financial indicators. Financial indicator-based performance measures are referred to as an indicator of financial performance and market performance. Mulyadi and Setiawan, (2001) explained that the financial performance measures indicate whether the set plan, goals, strategic initiatives and execution can support in accomplishing objectives profits of the company. Generally, ratios used are Return on Assets (ROA). This ratio is used to measure the capability of managers to obtain an overall

financial, and Return on Investment (ROI). This measure is used to align the income generated by the investment level.

### Market Performance

Market share, market leadership, rate of turnover, sales volume are market performance indicators of SMSEs. Market share reflects the percentage of total market capture by the business in the industry market. The tools used to assess market performance of business varies from business to business (Kaplan & Norton, 2000).

### Customer Satisfaction

Moreover, non-financial performance indicator is customer satisfaction. How customers feel or enjoy the products or services of the firm is a vital value to assess the success of a firm, because without the presence of the consumer firm cannot successfully operate. Customer feeling reflects the business capability to satisfy its customers based on certain criteria (such as quality, quantity, time, price). Customer loyalty reflects the business' ability to maintain a good mutual relationship with existing customers. Mulyadi, (2001) pointed out that customer satisfaction is expressed in terms of goodwill, loyalty, patronage, and the customer's feeling towards the firm.

### Relationship between Trustworthiness and financial Performance

Businesses that operate without regard for trust values are likely to run into problems with the law, customers, employees and business partners. Consequently, business reputation will suffer and the loss of business from unethical behaviour could be significant and difficult to erase. Customers value a trusted entrepreneur but a customer that lost confidence from an entrepreneur will seek alternatives, the process of regaining such customers lost may be difficult for the business (Donovan,2013). However, SMEs must be especially cautious to balance the goals of profits and value trust for the interest of the business success and protect the image of the business before the society (Twomey & Jennings,2011). Trustworthiness and socially responsible practices benefit entrepreneurs financially in the long run. Hence, Entrepreneurial trustworthiness in business contributes to profitability by reducing the cost of business transactions and building a foundation of trust with important stakeholders (McMurrian & Matulich,2006).

## Entrepreneurial Trustworthiness Practice and Market Performance

Customers and other stakeholders want to patronize entrepreneurs who can be trusted by the actions, needs and wants, their money and their safety, health and well-being (Donovan, 2013, Twomey & Jennings, 2013). There is indeed a link between an entrepreneur's trust values and the market share, rate of sales as well as sales volume (Chun *et al* 2011); Twomey & Jennings, 2011). Webley & more, (2013) research has shown that the relationship between market performance and other indicators of corporate responsibility is positive (Donovan, 2013, Branko, Drago & Zoran, 2015). Abela and Murphy, (2008) research pointed out that entrepreneurs' virtue of trust as a concept will have positive influence on customers' satisfaction. Zineldin, (2006) suggested that employees working with principle of truth will contribute to customers' royalty to the organizational product. Dabholkar & Sheng (2012) suggested that there is significant positive correlation between truthfulness of entrepreneur and customers' patronage to the organisation products. On the other hand, some of the studies if entrepreneurs' trust enhances customer satisfaction (Lin & Wang, 2006; Gul, 2014) in which they argued that the first customers trust is the service providers based on some factors which have customer satisfaction.

## Relationship between Trustworthiness and Customers' Satisfaction

Cleary, Walter, Horsfall and Jackson, (20013) pointed that honesty requires reliability, openness and sincerity to the customers as a mark of customers' satisfaction that promotes performance of SMEs. There is a direct impact between entrepreneurs' openness to customers and customers' royalty to an organizational product (Balaji, 2009). Satisfaction as an attitude, measure and interest expressed by consumers in terms of patronage and royalty to the organizational product. Further, Consuegra, (2007), Wong and Zhou, (2006) pointed out that customer patronage is partially improved by satisfaction as one of the most influential factors. Wong and Sohal, (2003) stated that customers' patronage to specific product is because of trust expressed to the entrepreneur. Most of the studies confirmed that contented customers have more possibility to referral and loyalty to the firm product. (Blodgett & Anderson, 2000; Maxham & Netemeyer, 2002). Many studies have indicated that there was positive relationship between entrepreneurial moral practices and customer satisfaction (Abdullahi, Abubakar, Aliyu & Umar, 2015; Al-Dhaafri, Yusoff, & Al-Swidi, 2013). In addition, these studies have agreed that corporate goodwill has a positive effect on perceived value and customer satisfaction (Parasuraman & Malhotra, 2000; Schefter & Reichheld, 2000). Ethical culture of being trustful to stakeholders enhances adequate financial performance in terms of profit. (Harrell & Frazie, 2001).

## Empirical Review

Agung, (2019) carried out a study on the role of ethical principles and entrepreneurial leadership on business performance. The results of the study found that ethical behaviour is part of entrepreneurial leadership behaviour. Ambrose, (2014) conducted research on Service quality and customer satisfaction is an important ingredient in addressing global challenges in Kitale town. Findings revealed that service quality highly affect customer satisfaction positively ( $\beta_2=0.396$ ). Cleary, Walter, Horsfall, and Jackson, 2013) observed that honesty plays significant roles in entrepreneur pattern of alignment of creativity, sound moral ethical principles and organisation productivity and financial performance of the enterprise. Business ethics is concerned with the study of business situations, activities and making pertinent decisions where issues of right and wrong are addressed. It is a moral and social values which constitute social principles for doing business. Various researchers, for example, Doma, (2013), Hsu (2008) and Sernes, (1998) have revealed that a positive relationship exists between trustworthiness and rate of patronage. Specifically, their results showed that customer trust in the service provider serves as a process and supports business performance.

## Theoretical Review

This study is anchored on entrepreneurship exposure theory that implies that an exposure to new ideas and business opportunities drives creativity and innovation which leads to setting a new venture. (Krueger, 1993; Gird & Bagraim, 2008; Malebana, 2012; Zapkau *et al.*, 2015; Tarek, 2016; Tripathi *et al.* (2022) observed that entrepreneurs' exposure to new ideas, ethical code of conducts and values were the common factors that can lead to entrepreneurship development and skills. Education is significant agent to train, advance self-efficacy, exposing prospective and potential entrepreneurs to entrepreneurial trustworthiness practice among others. The assumption is that entrepreneurship development is anchored on the exposure to entrepreneurs on new ideas and opportunities, creativity and innovation, new venture creation, cultural values, motivation, economic factors, religious beliefs, need for achievement, education, risk bearing capacity among others. So, this theory is important because application of entrepreneurial integrity will exposure entrepreneurs' inevitability to success among SMSEs.

## Gap in Knowledge

Basically, this study has added to the stock of literature and empirical review on the following areas: content scope of the concept; entrepreneurial trustworthiness relationship between performance among SMSEs in Rivers State. Also, the geographical location has not been covered by other scholars in the literature and empirical review that addressed this. This study has filled a gap that

there are positive significant relationships between entrepreneurial trustworthiness practice and performance among SMSEs in Rivers State.

## Methodology

Research design adopted was correlational and cross-sectional. The population of this study consisted of Twelve thousand, nine hundred and seventy- five (12,975) SMSEs operating in Rivers State. Source: from the 2013 and 2014 Rivers State yellow pages' directory in ministry of commerce and industries Rivers State. The sample size of 390 was determined using Taro- Yamane analysis. Also, stratified random sample was used in this study which gave all the sample proportion equal chance of 17 entrepreneurs in each local government area. The basic source of date collection was structured questionnaires four -Likert- scale of agreed, strongly agreed, disagreed and strongly disagreed. The research questionnaire is through mail with the help of researcher facilitators. The research adopted content validity with reliability test and retest with the same statistical tools. Statistical tool, the researcher uses Pearson's product moment coefficient correlation (PPMCC) to test the hypotheses at 0.05 alpha level. Decision rule: the perfect positive correlation is denoted as ( $R=1$ ), perfect negative correlation is denoted as ( $R= -1$ ) and zero correlation is denoted as ( $R=0$ ). Also, accept  $H_0$  if  $P$  -value is greater than alpha level of 0.05 otherwise reject.

## Hypothesis One

$H_0$ : There is no significant relationship between trustworthiness and financial performance SMSEs in Rivers State.

### Pearson Correlations Relationship between Trustworthiness and Financial Performance

		Financial Performance	Trustworthiness
Trustworthiness	Pearson Correlation	1	0.276**
	Sig. (2-tailed)		0.300
	N	390	390
Financial Performance	Pearson Correlation	0.276**	1
	Sig. (2-tailed)	0.300	
			390
		N 390	

## Hypothesis Two

H<sub>02</sub>. There is no significant relationship between trustworthiness and market performance Table 2  
Pearson Correlations: Relationship between Trustworthiness and Market Performance

Variables		Market Performance	Trustworthiness
Trustworthiness	Pearson Correlation	1	0.300**
	Sig. (2-tailed)		0.200
Market Performance	N	390	390
	Pearson Correlation	0.300**	1
	Sig. (2-tailed)	0.200	
	N	390	390

**Correlation is significant at the 0.05 level (2-tailed). Source: SPSS Output**

**Table 1.** Pearson correlation showed low positive relationship between trustworthiness and financial performance value of 0.300\*\* at alpha level of 0.05. Therefore, the decision rule is that null hypothesis is rejected meanwhile alternative hypothesis accepted as the calculated value of P= value (0.200) is greater than the critical value (0.05) of significance level. So, there is significant relationship between trustworthiness and financial performance of SMEs in Rivers State. Moreover, this result is supported by Ahmad, (2009),(McMurrian & Matulich,2006, Chun *et al* 2011); Twomey & Jennings,2011), Webley and More, (2013) research has shown that the relationship between good financial performance and other indicators of corporate responsibility is positive. Hence, businesses have something to gain financially from being ethical.

**Table 2.** showed low positive relationship between trustworthiness and market performance of SMEs in Rivers State (R=0.300). Null hypothesis is rejected while alternative hypothesis accepted since P= value (0.200) is greater than the critical value of significance level. So, there is significant relationship between trustworthiness and market performance of SMEs in Rivers State. This result is supported by Sraboni and Sharmistha, (2011) cited that satisfied and motivated workforce is the primary step towards long-term success in business. To gain and maintain a competitive advantage, an entrepreneur must be trusted (Caceres & Paparoidamis,2007), because lack of trust is one of the most noted reasons for unwillingness to purchase from a supplier (Hsu, 2008).

**H<sub>03</sub>.**There is no significant relationship between trustworthiness and customers' satisfaction of SMEs in Rivers State.

Table 3. Pearson Correlations Relationship between Trustworthiness and Customers' Satisfaction

Variables		Customers'	
		Satisfaction.	Trustworthiness.
Trustworthiness	Pearson Correlation	1	0.312**
	Sig. (2-tailed)		0.220
	N	390	390
Customer Satisfaction	Pearson Correlation	0.312**	1
	Sig. (2-tailed)	0.220	
	N	390	390

Correlation is significant at the 0.05 level (2-tailed). Source: SPSS Output

Table 3 Pearson correlation showed low positive relationship between trustworthiness and customer satisfaction is 0.312\*\* at alpha level of 0.05. Therefore, the decision rule is that null hypothesis is rejected while alternative hypothesis accepted as the P-value (0.220) is greater than the critical value of 0.05 level. So, there is significant relationship between trustworthiness and customers' satisfaction of SMEs in Rivers State. Nevertheless, this result is supported by Various researchers, for example, Doma, (2013), Hsu (2008) and Sernes, (1998) have found that a positive relationship exists between trust and customers' satisfaction.

### Summary of the Findings

The study revealed a low positive significant relationship between trustworthiness and financial performance of SMEs among Rivers State. The result proved that there is significant low positive relationship between trustworthiness and customers' satisfaction among SMEs in Rivers State. The result indicated that there is low positive significant relationship between trustworthiness and market performance among SMEs in Rivers State.

### Recommendations

The following recommendations are offered:

1. Setting and clearly state ethical principles of trustworthiness as a culture since the result revealed low positive significant relationship between entrepreneurial trustworthiness and financial performance among SMSEs.
2. Training programs on ethics should be organized periodically to educate entrepreneurs since the result shown low positive significant relationship between entrepreneurial trustworthiness and market performance among SMSEs.

3. Evaluating and analysing periodically ethical code of behaviour since the result indicated low positive significant relationship between entrepreneurial trustworthiness and customer satisfaction among SMSEs.

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